

Message Text

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PAGE 01 JAKART 06815 041401Z

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ACTION EA-14

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 2645

INFO AMEMBASSY THE HAGUE

AMCONSUL MEDAN

AMCONSUL SURABAYA

C O N F I D E N T I A L JAKARTA 6815

E.O. 11652: GDS

TAGS: EAID, PFOR, ID, NL

SUBJ: MALIK COMMENT ON PRONK'S "CONDITIONS" FOR DUTCH AID

BEGIN UNCLASSIFIED

SUMMARY: GOI FOREIGN MINISTER MALIK TOLD PRESS JUNE 3 THAT RECENT REPORTED STATEMENT BY DUTCH MINISTER FOR DEVELOPMENT COOPERATION PRONK LAYING DOWN STRICT "CONDITIONS" FOR CONTINUED DUTCH AID TO INDONESIA WAS ONLY "FOR DOMESTIC CONSUMPTION" IN NETHERLANDS AND WOULD NOT INFLUENCE IGGI ASSISTANCE. END SUMMARY.

1. ACCORDING JAKARTA PRESS REPORTS, THE OUTSPOKEN DUTCH MINISTER, AND IGGI CHAIRMAN WHOSE VISIT TO INDONESIA IN 1973 SPARKED A CONTROVERSY OVER AID AND DEVELOPMENT, WAS QUOTED BY NETHERLANDS RADIO HILVERSUM AS SAYING MAY 31, THAT DUTCH ECONOMIC AID TO INDONESIA MUST MEET THREE CONDITIONS:

I) IT MUST SUPPORT DEVELOPMENT THAT IS NOT "CAPITALIST"

CONFIDENTIAL

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PAGE 02 JAKART 06815 041401Z

IN CHARACTER; II) IT MUST HELP SMALL FARMERS AND URBAN

MASSSES; AND III) THERE MUST BE A LINKAGE BETWEEN SOCIAL, ECONOMIC AND POLITICAL DEVELOPMENT. PRONK REPORTEDLY ADDED THAT IF THESE CONDITIONS WERE NOT FULFILLED, AFTER CONSULTING WITH IGGI NETHERLANDS WOULD REDUCE ITS AID, OR TERMINATE AID ALTOGETHER IF NECESSARY TO UPHOLD THE NETHERLANDS' SOCIALIST POLICIES. PRONK ALSO QUOTED AS SAYING THAT 1974/75 DUTCH AID TO INDONESIA WOULD BE REDUCED BY 25 PERCENT AND AMOUNT WOULD BE APPLIED TO GOI "SOCIAL DEVELOPMENT" PROJECTS THAT MIGHT BE PLANNED FOR NEXT YEAR.

2. IN RESPONSE TO REPORTERS' QUESTIONS, MALIK SAID PRONK'S REMARKS DID NOT REPRESENT A THREAT TO INDONESIA AND WERE DESIGNED FOR DOMESTIC CONSUMPTION IN NETHERLANDS. HE NOTED THAT ASSISTANCE TO INDONESIA THROUGH IGGI, INCLUDING DUTCH AID, HAS ALREADY BEEN DECIDED AND THAT PRONK'S STATEMENT WILL HAVE NO EFFECT ON IGGI.

3. IN SEPARATE COMMENT ON PRONK'S STATEMENT, JOHN NARO, DEPUTY CHAIRMAN OF PARLIAMENT, CALLED FOR EXPLANATION OF PRONK'S STATEMENT BY DUTCH EMBASSY, AND SAID IF PRONK'S STATEMENT ABOUT 25 PER CENT REDUCTION IN DUTCH 1974/75 ASSISTANCE WERE TRUE, INDONESIA WOULD HAVE TO SEEK THIS AMOUNT FROM SOME OTHER DONOR.

4. ONLY EDITORIAL REACTION THUS FAR TO PRONK STATEMENT WAS STIFF COMMENT IN GOVERNMENT-BACKED SUARA KARYA. PRONK'S STATEMENT ARE "DISTURBING" IF TRUE BECAUSE "THEY REPRESENT INTERFERENCE IN INTERNAL INDONESIAN AFFAIRS," EDITORIAL SAID, ADDING THAT INDONESIA "CANNOT ACCEPT AID ON CONDITIONS WHICH ARE POLITICAL IN NATURE." MOREOVER, SUARA KARYA NOTED, PRONK'S STATEMENTS SEEMED TO CONFLICT WITH HIS ASSURANCES DURING HIS VISIT TO INDONESIA IN 1973 THAT NETHERLANDS WOULD NOT INTERFERE IN DOMESTIC INDONESIAN AFFAIRS AND THAT INDONESIA'S DEVELOPMENT WAS PROGRESSING WELL. EDITORIAL CONCLUDED THAT PRONK'S STATEMENTS, IF CORRECTLY REPORTED, RAISED SERIOUS MATTER OF PRINCIPLE AND CALLED FOR CLARIFICATION BY NETHERLANDS.

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PAGE 03 JAKARTA 06815 041401Z

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5. COMMENT: NOTWITHSTANDING MALIK'S MOLLIFYING REMARKS, PRONK'S REPUTED STATEMENTS, LIKE HIS EARLIER CRITICAL PUBLIC COMMENTS ON INDONESIAN DEVELOPMENT AND POLITICAL PRISONER POLICY, WILL NOT HELP DUTCH-INDONESIAN RELATIONS

AND WILL PROBABLY PROVOKE FURTHER NATIONALIST REACTIONS
HERE.

6. WE ARE UNAWARE ANY PLANS BY NETHERLANDS TO REDUCE
OR DEFER AID BY 25 PER CENT AS PRONK REPORTEDLY ANNOUNCED.
SUCH A DECISION, PRESUMABLY, WOULD HAVE BEEN MADE AFTER
RECENT IGGI MEETING. WE WILL SEEK CLARIFICATION FROM
DUTCH EMBASSY HERE, AND WOULD APPRECIATE FURTHER INFORMA-
TION, IF AVAILABLE, FROM AMEMBASSY THE HAGUE.
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